

California's Voluntary Carbon Market Disclosures Business Regulation Act (AB 1305) ("VCMDA")

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AB 1305 44475 Disclosure Requirement

Citizens' Carbon Offset Deposit Account allows our commercial clients to incorporate their sustainability goals into their banking strategies. With credit earned on deposit balances quality carbon offsets are purchased and retired on the client's behalf. The VCMDA disclosures for the 2024 project portfolio can be found below. Project information was obtained from the project registry and third-party verification documents.

Project #1	Heartland Methane Abatement and Land Restoration - Packard & Kottke Ranch Project	VCMDA Section
Registry	American Carbon Registry (ACR)	
Registry ID	ACR890	
Vintage	2023	
Registry Project URL	https://acr2.apx.com/mymodule/reg/prjView.asp?id1=890	
Project Data URL	https://acr2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aP roj=pub&tablename=doc&id1=890	(c)
Protocol	ACR - Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions and Removals from the Plugging of Orphaned Oil And Gas Wells in the US and Canada Version 1.0 (May 2023)	(a1)
Location	Washington County, OK, USA	(a2)
Project Start/End	6/6/2023 - 6/5/2043	(a3) (a4)
Project Issuance	2023 Vintage: 80,782 mT issued	(a5) (a10)
Project Type	Avoidance - Industrial Process Emissions	(a6)
Other Standards Met	unknown	(a7)
Durability	N/A - removals only	(a8)
Third Party Verifier	GHD Services Inc (GHD)	(a9)
Accountability Measures	ACR protocol, transparent public registry, third-party verification, additionality testing	(b)

Project #2	Anew - Elk Forest IFM Project	VCMDA Section
Registry	American Carbon Registry (ACR)	
Registry ID	ACR595	
Vintage	2019	
Registry Project URL	https://acr2.apx.com/mymodule/reg/prjView.asp?id1=595	
Project Data URL	https://acr2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aP roj=pub&tablename=doc&id1=595	(c)
Protocol	ACR - Improved Forest Management (IFM) for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands Version 1.3 (April 2018)	(a1)
Location	SE Kentucky, USA	(a2)
Project Start/End	10/19/2019 - 10/18/2039	(a3) (a4)
Project Issuance	2022 removal vintage: 5506 mT issued 6/27/23, 8934 mT issued 11/25/24	(a5) (a10)
Project Type	Forest Carbon - removals	(a6)
Other Standards Met	unknown	(a7)
Durability	40 years	(a8)
Third Party Verifier	2022 vintage: Ruby Canyon Environmental and First Corp, reporting period 3/1/21-2/28/22; TUV SUD America, Inc., reporting period 3/1/22 - 2/29/24	(a9)
Accountability Measures	ACR protocol, transparent public registry, third-party verification, additionality testing, annual verification of credits, managed buffer pool (18% of credits assigned to buffer pool to cover unintentional reversals; Project committed to a 40-year agreement with ACR by signing the AFOLU Carbon Project Reversal Risk Mitigation Agreement)	(b)

Project #3	Kimble Sanitary Landfill Gas Project	VCMDA Section
Registry	Climate Action Reserve (CAR)	
Registry ID	CAR621	
Vintage	2020	
Registry Project URL	https://thereserve2.apx.com/mymodule/reg/prjView.asp?id1=621	
Project Data URL	https://thereserve2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aProj=pub&tablename=doc&id1=621	(c)
Protocol	CAR - Landfill Project Protocol Version 5.0 (April 2019)	(a1)
Location	3596 SR 39 NW, Dover, Tuscarawas County, OH 44622, USA	(a2)
Project Start/End	12/28/2009 - 09/25/22	(a3) (a4)
Project Issuance	2020 vintage: 193,750 mT issued 8/6/21, 1698mT issued 9/13/22	(a5) (a10)
Project Type	Avoidance - Landfill Gas Capture/Combustion	(a6)
Other Standards Met	unknown	(a7)
Durability	N/A - removals only	(a8)
Third Party Verifier	Ruby Canyon Environmental and Agri-Waste Technology, Inc - Reporting Periods 12/28/2019 - 12/27/2021	(a9)
Accountability Measures	Avoided emissions have already occurred and cannot be reversed, CAR protocol, transparent public registry, third-party verification, additionality testing, annual verification of credits	(b)

Project #4	Advanced Refrigeration - ARS2022001	VCMDA Section
Registry	American Carbon Registry (ACR)	
Registry ID	ACR815	
Vintage	2022	
Registry Project URL	https://acr2.apx.com/mymodule/reg/prjView.asp?id1=815	
Project Data URL	https://acr2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aProj=pub&tablename=doc&id1=815	(c)
Protocol	ACR - Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions and Removals from Advanced Refrigeration Systems 2.1 (August 2021)	(a1)
Location	543 12th St Dr NW, Hickory, NC 28601, USA	(a2)
Project Start/End	8/27/22 - 8/26/32	(a3) (a4)
Project Issuance	2022 vintage: 19,002 mT	(a5) (a10)
Project Type	Avoidance - Industrial Process Emissions	(a6)
Other Standards Met	unknown	(a7)
Durability	N/A - removals only	(a8)
Third Party Verifier	Ruby Canyon Environmental	(a9)
Accountability Measures	Avoided emissions have already occurred and cannot be reversed, ACR protocol, transparent public registry, third-party verification, additionality testing	(b)

Project #5	Tradewater US - ODS - #3	VCMDA Section
Registry	American Carbon Registry (ACR)	
Registry ID	ACR875	
Vintage	2023	
Registry Project URL	https://acr2.apx.com/mymodule/reg/prjView.asp?id1=875	
Project Data URL	https://acr2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aProj=pub&tablename=doc&id1=875	(c)
Protocol	ACR - Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions and Removals from the Destruction of Ozone Depleting Substances and High-GWP Foam Version 2.0 (February 2023)	(a1)
Location	Bowling Green, OH, USA	(a2)
Project Start/End	4/19/23 - 5/16/23	(a3) (a4)
Project Issuance	2023 vintage: 67,967 mT issued 7/28/23	(a5) (a10)
Project Type	Avoidance - Ozone Depleting Substances	(a6)
Other Standards Met	unknown	(a7)
Durability	N/A - removals only	(a8)
Third Party Verifier	Ruby Canyon Environmental	(a9)
Accountability Measures	Avoided emissions have already occurred and cannot be reversed, ACR protocol, transparent public registry, third-party verification, additionality testing	(b)

AB 1305 44475.1 Disclosure Requirement

Citizens currently does not purchase or use voluntary carbon offsets when making claims regarding carbon neutrality.

AB 1305 44475.2(a) Disclosure Requirement

Citizens retained Stantec Consulting Ltd. (“Stantec”), an independent third-party international professional services company, to perform limited verification on its emissions data. Stantec is a top-tier global design firm that offers engineering, architecture, energy, water, and project management services for various sectors and projects. Stantec verified that Citizens emissions reporting complies with *ISO 14064-3: 2019 Greenhouse Gases - Part 3* standards. Stantec also verified that Citizens’ emissions reporting complies with the *GHG Protocol Scope 2 Guidance, 2015*.

Stantec verified the following information regarding carbon emissions on which Citizens makes a reduction claim:

- Energy use information for all fuel sources that comprise the Scope 1 and Scope 2 emission categories. Scope 1 direct emissions include: stationary fuel combustion of fuel oil, natural gas, propane, and diesel; mobile fuel combustion of diesel, gasoline, and jet fuel; and fugitive refrigerant emissions. Scope 2 emissions include indirect emissions associated with the purchase of electric power, market and location based.

Verified energy use information comes directly from Citizens facilities, owned fleet vehicles, and the owned corporate jet. For facility energy use, Citizens relies on actual utility bills that are gathered by a third-party vendor that assists with the activity data management, quality assurance and control, and the completion of the GHG and energy calculations. Stantec is responsible for planning and executing the verification to deliver a limited level of assurance opinion as to whether the GHG and Energy Use Assertions were presented fairly and in accordance with the verification criteria. Fuel data from Citizens owned fleet vehicles and owned corporate jet is provided by the associated vendors to Stantec. Citizens publishes market and location-based emissions calculations, and Stantec verifies both approaches. Citizens can then measure year-over-year reductions in Scope 1 and Scope 2 emissions, which form the basis of its public performance goals. Citizens publishes actual emissions in metric tons of carbon dioxide equivalent (commonly expressed as MT CO₂e).

Performance goals are calculated directly from Stantec-verified emissions data. As a result, Citizens calculates its Scope 1 and Scope 2 performance goals, usually expressed as a percentage increase or decrease in emissions from the prior year, without reliance on Stantec. Citizens may publish ‘actual’ and ‘legacy-only’ emissions data to account for significant events, such as a merger or acquisition.

Citizens continues to make progress on its sustainability efforts and in September 2023 announced its intention to be carbon neutral in its operations by 2035. In 2021, Citizens set Scope 1 and 2 emissions targets that will be achieved through ongoing energy conservation investments and energy reduction initiatives across the company’s footprint. By 2035, Citizens is targeting to offset remaining Scope 1 and 2 emissions through high-quality offsets and renewable energy credits. In 2022, Citizens entered into a virtual power purchase agreement with Ørsted that supports the construction of a wind generation facility in Kansas, demonstrating Citizens’ commitment to renewable energy as a key part of its transition to a lower-carbon economy.

Citizens current carbon reduction goals as mentioned above, its progress against current goals, and its most recent ESG and Climate Reports can be found on the company’s website: [Corporate Responsibility Report Archive | Citizens \(citizensbank.com\)](#).

AB 1305 44475.2(b) Disclosure Requirement

Citizens retained Stantec Consulting Ltd. (“Stantec”), an independent third-party international professional services company, to perform limited verification on its emissions data.

Citizens Scope 1 and Scope 2 emissions are not validated as being “science-based” by a third party.